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## Canada

### Trade Policy Monitoring

# Bulk Waivers Issued for More Than 1,000 Loads of U.S. Potatoes 2001

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**Report Highlights:** In the period January 1 to May 18, 2001 the Canadian Food Inspection Agency issued ministerial exemptions (bulk waivers) for 1,024 loads of fresh potatoes from the United States. According to the CFIA, of the total applications for bulk waivers during that period for U.S. potatoes, no application was denied. The amount equates to roughly 20% of total U.S. potato exports to Canada during the same period.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Ottawa [CA1], CA

**Summary:** In the period January 1 to May 18, 2001 the Canadian Food Inspection Agency (CFIA) issued ministerial exemptions (bulk waivers) for 1,024 loads of fresh potatoes from the United States. According to the CFIA, of the total applications for bulk waivers during that period for U.S. potatoes, no application was denied.

**Background:** Canada's Fresh Fruit and Vegetable Regulations stipulate that special ministerial exemptions or waivers be issued for imports or interprovincial shipments of produce in bulk containers (i.e., containers larger than the standard containers specified in the regulations). In U.S./Canada horticultural trade, bulk ministerial waivers are most commonly utilized for potatoes for processing, but are also issued for other fruits and vegetables such as apples or onions, mostly for repacking in Canada. The regulations state that bulk waivers are only issued when domestic supplies are short within a region in Canada.

Confusion surrounds Canada's bulk waiver system resulting in persistent rumors in the U.S. potato industry that the CFIA denies many bulk waiver applications. In fact, before making a formal application to the CFIA for a bulk waiver, Canadian importers are required, by regulation, to establish that domestic supplies meeting quantity and quality specifications are unavailable. During the process, the trade can become aware of, for example, rumor of a substantial raw product requirement by a certain Canadian potato processor. Given that Canadian regulation requires the processor to check first for domestic supply availability, any associated delay is often interpreted that the CFIA has denied the bulk importation. Few bulk waiver applications are ever rejected.

As shown in the tables 1 & 2 below, in the period January 1 - May 18, 2001, the CFIA issued bulk waivers for a 848 loads of U.S. processing potatoes and for 176 loads of table potatoes for repacking for a grand total of 1,024 loads. According to the CFIA, each load is approximately 40,000 lbs. (slightly more than 18 metric tons). Therefore, during this 20 week period, an estimated 18,500 metric tons of U.S. fresh potatoes were eligible to enter Canada under bulk waiver issuance. The amount equates to roughly 20% of the total U.S. potato exports to Canada during the same period.

<b>Table 1. Ministerial Exemptions Issued for Processing Potatoes (Number of Loads)</b>				
Jan.1-May 18, 2001	Alberta	Manitoba	Ontario	Canada
Washington	30			30
North Dakota	165	10		175
Oregon	150		10	160
Arizona	120	40		160
Florida			323	323
Totals	465	50	333	848
Source: CFIA				

<b>Table 2. Ministerial Exemptions Issued for Potatoes for Repacking (Number of Loads)</b>						
Jan.1- May 18, 2001	Alberta	Sask.	Ontario	Quebec	New Brun.	Canada
California	12		64			76
Washington		10				10
Florida			30	5	50	85
Maine				5		5
Totals	12	10	94	10	50	176
Source: CFIA						

Canada maintains that its bulk waiver system provides access for Canadian processors and repackers to imported bulk produce that would not exist without the bulk exemption provision (i.e., all imports would be restricted to small container sizes). Canadian government and industry officials say that any unfair trade challenge by the U.S. horticultural industry on its container size rules will be met by a Canadian challenge of U.S. marketing order provisions.

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